

Loehmann's

Liquidation Analysis - Chapter 7 Liquidation Scenarios

\$ 000's

		Estimated Value as of	\$ Amount (000's)	CASE SCENARIO		
Recoverable Assets:				LOW	MID	HIGH
<i>a</i>	Cash	02/28/11	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
<i>b</i>	Accounts Receivable	02/28/11	\$ 5,447	\$ 4,085	\$ 4,357	\$ 4,630
			Recovery Rate	75.0%	80.0%	85.0%
<i>c</i>	Inventory (Recovery on Cost)	02/28/11	\$ 45,256	\$ 13,577	\$ 18,103	\$ 22,628
			Recovery Rate	30.0%	40.0%	50.0%
<i>d</i>	Pre-Paid Expenses	02/28/11	\$ 3,079	\$ 308	\$ 462	\$ 616
			Recovery Rate	10.0%	15.0%	20.0%
<i>e</i>	PP&E Net of Accum Depreciation	02/28/11	\$ 28,926	\$ 1,446	\$ 2,893	\$ 4,339
			Recovery Rate	5.0%	10.0%	15.0%
<i>f</i>	PP&E Recovery Fee		-25%	\$ (362)	\$ (723)	\$ (1,085)
<i>g</i>	Intellectual Property	02/28/11	\$ 10,000	\$ 500	\$ 1,000	\$ 1,500
			Recovery Rate	5.0%	10.0%	15.0%
<i>h</i>	IP Recovery Fee		-5%	\$ (25)	\$ (50)	\$ (75)
<i>i</i>	Lease Designations	02/28/11	\$ 3,000	\$ 300	\$ 450	\$ 600
			Recovery Rate	10.0%	15.0%	20.0%
<i>j</i>	Lease Recovery Fees		-5%	\$ (15)	\$ (23)	\$ (30)
Net Recovery before CH. 7 Trustee Fees & Expenses				\$ 21,815	\$ 28,469	\$ 35,123
<i>k</i>	Chapter 7 Trustee Fees	02/28/11		(678)	(877)	(1,077)
<i>l</i>	Chapter 7 Trustee Expenses (expenses, other professionals, etc.)		1,500	(1,500)	(1,500)	(1,500)
Net Available to Senior Secured Creditors				\$ 19,637	\$ 26,091	\$ 32,546
<i>m</i>	Amount owed to Secured Creditors - Crystal Financial	02/28/11	\$ 24,821	(24,821)	(24,821)	(24,821)
			(% of Secured Claims paid)	79.12%	100.00%	100.00%
Net Available to Secured Noteholders - A Series				\$ -	\$ 1,271	\$ 7,725
<i>n</i>	Amount owed to Secured Noteholders - A Series	02/28/11	\$ 75,000	(75,000)	(75,000)	(75,000)
			(% of Secured Claims paid to Series A)	0.00%	1.69%	10.30%
Net Available to Secured Noteholders - B Series				\$ -	\$ -	\$ -
<i>o</i>	Amount owed to Secured Noteholders - B Series	02/28/11	\$ 35,000	(35,000)	(35,000)	(35,000)
			(% of Secured Claims paid to Series B)	0.00%	0.00%	0.00%
Net available for remaining Administrative Claims				\$ -	\$ -	\$ -
<i>p</i>	Amounts owed for est. administrative expenses and claims	02/28/11	15,000	(15,000)	(15,000)	(15,000)
			(% of Admin. Claims paid)	0.00%	0.00%	0.00%
Net available for Priority Unsecured Claims				\$ -	\$ -	\$ -
<i>q</i>	Priority Unsecured - Pre-Petition Taxes & Employee Claims	11/14/10	\$ 1,500	\$ (1,500)	\$ (1,500)	\$ (1,500)
			(% of Priority Unsecured paid)	0.00%	0.00%	0.00%
Net available for General Unsecured Claims				\$ -	\$ -	\$ -
<i>r</i>	Leasehold Liabilities (502(b)6 Claims)	11/14/10	\$ 58,701	\$(58,701)	\$(58,701)	\$(58,701)
<i>s</i>	Pre-Petition Accounts Payable	11/14/10	\$ 37,665	(37,665)	(37,665)	(37,665)
			(% of Claims paid to General Unsecured)	0.00%	0.00%	0.00%

Clear Thinking Group LLC has relied on information provided by Loehmanns, Inc. and its officers. Clear Thinking Group LLC has not audited any of the information provided to us.

Chapter 7 Liquidation Assumptions:

- a Cash in bank and store depository accounts*
- b Estimate of AR in float from Credit Card processors as of 2/28/11*
- c Projected cash recovery on estimated cost value of inventory. Mid-case based on 50% of a "normal" Ch. 11 liquidation scenario.*
- d Prepaids estimated based on 10/30/10 balance sheet amount with an estimated recovery value assumed base on insurance refunds.*
- e Value of PP&E per 10/30/10 balance sheet estimate (net of accumulated depreciation)*
- f Estimated cost to sell PP&E*
- g Value associated with selling the Company's trademark, patents, etc. under a forced sale scenario*
- h Estimated cost to sell IP*
- i Value associated with selling the Company's lease designations under a forced sale scenario*
- j Estimated cost to sell Leases*
- k Ch. 7 Trustee Fee per Statute calculation*
- l Estimated Expenses incurred by UST to manage & wind down estate*
- m Estimated loan balance owed to senior DIP lender (Crystal Financial) as of 2/28/11*
- n Total Secured Series A Notes as of 11/14/10*
- o Total Secured Series B Notes as of 11/14/10*
- p Estimated amounts accrued and unpaid administrative expense items*
- q Estimated unpaid pre-petition priority taxes, customer and employee claims*
- r Estimate - per preliminary 502(b)6 analysis*
- s Estimated pre-petition general unsecured non-real estate claims*